

reason is to be sought in the extent of the rise or fall of important articles of consumption as compared with the changes of articles of less significance. The results are sufficiently close for all practical purposes, especially when we bear in mind the various errors to which all extensive collections of data, not framed upon a generally uniform system, are unavoidably exposed. In another series of three years, the disturbance in the ordinary Index Numbers (when quantities were introduced) was traceable to the exceptionally high export price of Coal (a prominent item in British trade), and, omitting this exaggerating element, Mr. Sauerbeck ascertained that the difference between the usual Numbers and those resulting from the inclusion of quantities for the 43 remaining articles (two Index Numbers being assigned in his scheme to Coal) was reduced to the insignificant figure of about -7 per cent only in each year.

In order to alleviate in some degree the undue influence of this equality of importance of his 45 kinds of commodities, Mr. Sauerbeck represents, in his Tables, certain leading articles by more than one Index Number—Wheat, for example, with Flour, possesses three Numbers. By expedients of this nature (the repetition of some commodities in different grades)—the commodities have been selected in such a way that the total number of quotations for any group—such as Meat, Textiles, and Iron—represents approximately in its proportion to the entire mass of the 45 quotations the comparative importance of the stated group in the whole commerce of the United Kingdom. An interesting instance may be cited of the distorting effect (upon the general average level of prices) which may be occasionally produced. In 1862 the total Index Number of the *Economist* Table was 2878; in 1863 it was 3492; in 1864, 3787; in 1865, 3575; while in 1871 it had fallen to 2590; that is to say, a comparison of the records of 1871 with those of 1864 (bringing the 2590 into relation with the 3787) showed a decline in *general* prices of about 32 per cent. This result revealed, *prima facie*, a startling aggregate change; but an explanation is ready. In

April, 1861, the war commenced between the Northern and Southern States of America; the blockade of the Southern Ports, whence Cotton is obtained for English manufactures, was proclaimed; and the war practically